

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

QUIKSILVER, INC., a Delaware
corporation,

Plaintiff,

v.

KYMSTA CORP., a California
corporation,

Defendant.

**AND RELATED
COUNTERCLAIMS.**

Case No. CV 02-5497 VBF (RCx)

JUDGMENT

On March 12, 2008, the jury returned its verdict in accordance with the Court's instructions as follows:

“SPECIAL VERDICT FORM

We, the jury in the above-entitled action, find the following special verdict on the questions submitted to us:

SECTION 1: QUIKSILVER'S CLAIMS UNDER THE ROXY TRADEMARK

First Claim for Relief

1. Is ROXY a valid trademark?

Yes X No

If your answer to Question No. 1 is “Yes” proceed to Question No. 2.

If your answer to Question No. 1 is “No” proceed to Question No. 9.

2. Does Quiksilver own the ROXY trademark?

Yes X No

If your answer to Question No. 2 is “Yes” proceed to Question No. 3.

If your answer to Question No. 2 is “No” proceed to Question No. 9.

3. Did Kymsta use ROXYWEAR without the consent of Quiksilver in a manner that is likely to cause confusion with Quiksilver's ROXY trademark?

Yes X No

If your answer to Question No. 3 is “Yes” proceed to Question No. 4.

If your answer to Question No. 3 is “No” proceed to Question No. 9.

4. Did Quiksilver suffer harm as a result of Kymsta's use of ROXYWEAR?

Yes No X

1 If your answer to Question No. 4 is "Yes" proceed to Question No. 5.

2 If your answer to Question No. 4 is "No" proceed to Question No. 9.

3 5. Did Kymsta adopt the ROXYWEAR mark without actual or
4 constructive knowledge of Quiksilver's prior use of ROXY?

5 Yes X No

6 If your answer to Question No. 5 is "Yes" proceed to Question No. 6.

7 If your answer to Question No. 5 is "No" proceed to Question No. 9.

8 6. Did Kymsta adopt its ROXYWEAR mark before December 28,
9 1998?

10 Yes X No

11 If your answer to Question No. 6 is "Yes" proceed to Question No. 7.

12 If your answer to Question No. 6 is "No" proceed to Question No. 9.

13 7. Did Kymsta's ROXYWEAR mark have a zone of reputation as
14 of December 28, 1998 where the ROXYWEAR mark enjoyed recognition?

15 Yes X No

16 If your answer to Question No. 7 is "Yes" proceed to Question No. 8.

17 If your answer to Question No. 7 is "No" proceed to Question No. 9.

18 8. Has Kymsta continuously used its ROXYWEAR mark within
19 that zone of reputation after December 28, 1998?

20 Yes X No

21 Proceed to Question No. 9.

22 **Second Claim for Relief**

23 9. Is ROXY a valid, protectable mark?

24 Yes X No

25 If your answer to Question No. 9 is "Yes" proceed to Question No. 10.

26 If your answer to Question No. 9 is "No" proceed to Question No. 13.

27 10. Does Quiksilver own ROXY as a trademark?

28 Yes X No

If your answer to Question No. 10 is "Yes" proceed to Question No.

11. If your answer to Question No. 10 is "No" proceed to Question No. 13.

11. Did Kymsta use the ROXYWEAR mark without the consent of Quiksilver in a manner that is likely to cause confusion among ordinary purchasers as to the source, affiliation, connection or association between Kymsta's goods and Quiksilver or Quiksilver's ROXY products?

Yes X No

If your answer to Question No. 11 is "Yes" proceed to Question No.

13. If your answer to Question No. 11 is "No" proceed to Question No. 13.

12. Was Quiksilver harmed by Kymsta's infringement?

Yes No

Proceed to Question No. 13.

SECTION 2: QUIKSILVER'S CLAIMS UNDER THE QUIKSILVER ROXY TRADEMARK

First Claim for Relief

13. Is QUIKSILVER ROXY a valid trademark?

Yes X No

If your answer to Question No. 13 is "Yes" proceed to Question No.

14. If your answer to Question No. 13 is "No" proceed to Question No. 21.

14. Does Quiksilver own the QUIKSILVER ROXY trademark?

Yes X No

If your answer to Question No. 14 is "Yes" proceed to Question No.

15. If your answer to Question No. 14 is "No" proceed to Question No. 21.

15. Did Kymsta use ROXYWEAR without the consent of Quiksilver in a manner that is likely to cause confusion with Quiksilver's QUIKSILVER ROXY trademark?

Yes X No

1 If your answer to Question No. 15 is "Yes" proceed to Question No.

2 16. If your answer to Question No. 15 is "No" proceed to Question No. 21.

3 16. Did Quiksilver suffer harm as a result of Kymsta's use of
4 ROXYWEAR?

5 Yes _____ No X

6 If your answer to Question No. 16 is "Yes" proceed to Question No.

7 17. If your answer to Question No. 16 is "No" proceed to Question No. 21.

8 17. Did Kymsta adopt the ROXYWEAR mark without actual or
9 constructive knowledge of Quiksilver's prior use of QUIKSILVER ROXY?

10 Yes X No _____

11 If your answer to Question No. 17 is "Yes" proceed to Question No.

12 18. If your answer to Question No. 17 is "No" proceed to Question No. 21.

13 18. Did Kymsta adopt its ROXYWEAR mark before April 3, 1996?

14 Yes X No _____

15 If your answer to Question No. 18 is "Yes" proceed to Question No.

16 19. If your answer to Question No. 18 is "No" proceed to Question No. 21.

17 19. Did Kymsta's ROXYWEAR mark have a zone of reputation as
18 of April 3, 1996 where the ROXYWEAR mark enjoyed recognition?

19 Yes X No _____

20 If your answer to Question No. 19 is "Yes" proceed to Question No.

21 20. If your answer to Question No. 19 is "No" proceed to Question No. 21.

22 20. Has Kymsta continuously used the ROXYWEAR mark within
23 that zone of reputation since April 3, 1996?

24 Yes X No _____

25 Proceed to Question No. 21.

26 **Second Claim for Relief**

27 21. Is QUIKSILVER ROXY a valid, protectable mark?

28 Yes X No _____

1 *If your answer to Question No. 21 is “Yes” proceed to Question No.*

2 *22. If your answer to Question No. 21 is “No” proceed to Section 3.*

3 22. Does Quiksilver own QUIKSILVER ROXY as a trademark?

4 Yes X No

5 *If your answer to Question No. 22 is “Yes” proceed to Question No.*

6 *23. If your answer to Question No. 22 is “No” proceed to Section 3.*

7 23. Did Kymsta use the ROXYWEAR mark without the consent of
8 Quiksilver in a manner that is likely to cause confusion among ordinary purchasers
9 as to the source, affiliation, connection or association between Kymsta’s goods and
10 Quiksilver or Quiksilver’s QUIKSILVER ROXY products?

11 Yes X No

12 *If your answer to Question No. 23 is “Yes” proceed to Question No.*

13 *24. If your answer to Question No. 23 is “No” proceed to Section 3.*

14 24. Was Quiksilver harmed by Kymsta’s infringement?

15 Yes No

16 *Proceed to Section 3.*

17 **SECTION 3: KYMSTA’S COUNTERCLAIM**

18 *If you answered “Yes” to Question No. 2 or Question No. 10, please have the*
19 *foreperson sign and date the form and return to the courtroom. Otherwise,*
20 *proceed to Question No. 25.*

21 25. Is ROXYWEAR a valid, protectable mark?

22 Yes No

23 *If your answer to Question No. 25 is “Yes” proceed to Question No.*

24 *26. If your answer to Question No. 25 is “No” have the jury foreperson sign and*
25 *date this form and return to the courtroom.*

26 26. Does Kymsta own ROXYWEAR as a trademark?

27 Yes No

28

1 *If your answer to Question No. 26 is “Yes” proceed to Question No.*
 2 *27. If your answer to Question No. 26 is “No” have the jury foreperson sign and*
 3 *date this form and return to the courtroom.*

4 27. Did Quiksilver use the ROXY mark without the consent of
 5 Kymsta in a manner that is likely to cause confusion among ordinary purchasers as
 6 to the source, affiliation, connection or association between Quiksilver’s goods and
 7 Kymsta or Kymsta’s ROXYWEAR products?

8 Yes _____ No _____

9 *If your answer to Question No. 27 is “Yes” proceed to Question No.*
 10 *28. If your answer to Question No. 27 is “No” have the jury foreperson sign and*
 11 *date this form and return to the courtroom.*

12 28. Was Kymsta harmed by Quiksilver’s infringement?

13 Yes _____ No _____”

14
 15 On March 19, 2008, the Court held a bench trial on Kymsta’s equitable
 16 affirmative defenses and to determine the scope of injunctive relief, if any, to be
 17 awarded to Quiksilver. After receiving further evidence and hearing further
 18 argument from counsel, the Court found that neither laches nor unclean hands bars
 19 Quiksilver from obtaining prospective injunctive relief, and ordered that an
 20 injunction issue as described below.

21 Accordingly, **IT IS HEREBY ORDERED, ADJUDGED AND**
 22 **DECREED** as follows:

23 1. Judgment is entered in Quiksilver’s favor and against Kymsta:

24 (a) Subject to Kymsta’s third affirmative defense of statutory
 25 innocent use pursuant to 15 U.S.C. § 1115(b)(5), on Quiksilver’s first
 26 claim for relief for trademark infringement based upon both
 27 Quiksilver’s federally registered QUIKSILVER ROXY (Certificate of
 28 Registration No. 2,083,400) and ROXY (Certificate of Registration

No. 2,427,898) trademarks;

(b) On Quiksilver's second claim for relief for false designation of origin based upon both Quiksilver's common law QUIKSILVER ROXY and ROXY trademarks;

(c) On Kymsta's first, second, fourth, fifth, sixth, seventh, eighth and ninth affirmative defenses; and

(d) On Kymsta's Counterclaim for False Designation of Origin;

2. Quiksilver's federal registered trademarks -- QUIKSILVER ROXY (Certificate of Registration No. 2,083,400) and ROXY (Certificate of Registration No. 2,427,898) -- and Quiksilver's common law trademarks -- QUIKSILVER ROXY and ROXY -- are deemed valid and protectable trademarks;

3. Quiksilver is deemed the senior user and owner of the QUIKSILVER ROXY and ROXY trademarks;

4. Quiksilver has the full right to the use and enjoyment of the QUIKSILVER ROXY and ROXY trademarks;

5. Kymsta's use of its "Roxywear by Roxanne Heptner," "Roxywear by Roxx" and "Roxywear" marks constitutes a false designation of origin, in violation of 15 U.S.C. § 1125(a)(1)(A).

6. Kymsta and its directors, officers, employees and agents are hereby permanently enjoined and restrained, pursuant to 15 U.S.C. § 1116(a), from:

(a) Using, or permitting the use of, the "Roxywear by Roxanne Heptner", "Roxywear by Roxx" or "Roxywear" marks, or any other mark confusingly similar to Quiksilver's QUIKSILVER ROXY and ROXY trademarks, to market, sell, advertise and/or identify any clothing products;

(b) Falsely designating the origin of any clothing products by using, or permitting the use of, the "Roxywear by Roxanne Heptner",

1 “Roxywear by Roxx” or “Roxywear” marks, or any other mark
2 confusingly similar to Quiksilver’s QUIKSILVER ROXY and ROXY
3 trademarks.

4 (c) Provided, however, that Kymsta shall be permitted, for a
5 period of 18 months from the date of this Judgment, to continue to use
6 the “Roxywear by Roxanne Heptner” and “Roxywear by Roxx” marks
7 to market, sell and identify contemporary sportswear products, while it
8 phases out all use of said marks;

9 7. During the aforesaid 18-month phase out period, Kymsta and its
10 directors, officers, employees and agents are hereby permanently enjoined and
11 restrained from using, or permitting the use of, the “Roxywear by Roxanne
12 Heptner” and “Roxywear by Roxx” marks to market, sell or identify any clothing
13 products other than in the wholesale market for the sale of young women’s clothing
14 to retail account buyers. Specifically, to designate the source and origin of the
15 products and to avoid confusion in the marketplace during the 18-month phase out
16 period, *inter alia*:

17 (a) The term “Roxywear” must be displayed, presented,
18 shown or otherwise used as one word, with all letters in the same font,
19 same type-size, same color and same format;

20 (b) One of the following identifiers must be conspicuously
21 displayed whenever the term “Roxywear” is displayed, presented,
22 shown or otherwise used: “by Roxanne Heptner,” “by Roxx,” or “by
23 Kymsta”;

24 (c) The “Roxywear by Roxanne Heptner” and “Roxywear by
25 Roxx” marks shall only be displayed, presented, shown or used on the
26 interior labels affixed to the inside of any article of clothing, and
27 specifically shall not be displayed, presented, shown or used on the
28 outside of any article of clothing, such as imprinting on or

1 incorporating in the design of the fabric the “Roxywear by Roxanne
2 Heptner” or “Roxywear by Roxx” marks as a logo or brand or using
3 the “Roxywear by Roxanne Heptner” or “Roxywear by Roxx” marks
4 on any badging, tags or labels affixed to the outside of any article of
5 clothing;

6 (d) Clothing bearing the “Roxywear by Roxanne Heptner” or
7 “Roxywear by Roxx” marks shall only be sold through Kymsta’s
8 current channels of distribution;

9 (e) Clothing bearing the “Roxywear by Roxanne Heptner” or
10 “Roxywear by Roxx” marks shall not be advertised or promoted to
11 consumers, except through co-op advertisements placed directly by
12 retailers;

13 8. Further, Kymsta and its directors, officers, employees and
14 agents are hereby permanently enjoined and restrained from selling or licensing or
15 assigning to any third party any rights in or to the “Roxywear by Roxanne
16 Heptner”, “Roxywear by Roxx” or “Roxywear” marks.

17
18
19 DATED: April 15, 2008



— Honorable Valerie Baker Fairbank
United States District Court Judge